City of Lafayette Staff Report

For:	Lafayette City Council
By:	Steven Falk, Lafayette City Manager
Date Written:	November 20, 2008
Meeting Date:	December 8, 2008
Subject:	**Police Services Study Request for Proposals**

Introduction

The three municipalities of Danville, Lafayette, and Orinda have, for more than twenty-five years each, contracted for police services from the Contra Costa County Sheriff's Department. Sheriff's costs, however, have risen steeply over the last few years, prompting interest from all three jurisdictions in studying and developing cost-effective alternatives to the Sheriff's contract.

Rather than do so independently, the three municipalities have chosen to issue a joint *Request for Proposals* seeking a single consultant to perform the work. While the consultant will be expected to deliver three separate reports – one to each jurisdiction – the cities are hopeful that the joint study will otherwise deliver significant cost savings, economies of scale, and perhaps, joint operational strategies and unique organizational advantages that would not otherwise accompany individually-contracted studies.

The Lafayette City Council programmed $50,000 in the 2008/9 budget to cover its portion of the cost of the study.

Per your direction, the three city managers have drafted a *Request for Proposals,* and it is attached for your review. Since the joint effort to draft this RFP has been time consuming and an exercise in compromise, any effort council members might make to focus requests for edits or additions on issues of significance would be helpful and appreciated.

Note that the timeline in the RFP anticipates that a final report would be delivered to the City Council in June, 2009.

Recommendation

Direct City Managers to issue the attached *Request for Proposals* for a Police Services Study.

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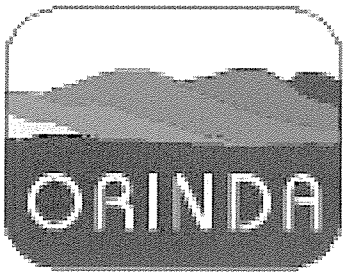


The Town of Danville, the City of Lafayette, and the City of Orinda invite proposals for the preparation of three Police Services Studies.

INTRODUCTION

The three municipalities of Danville, Lafayette, and Orinda are located in central Contra Costa County. Each has, for more than twenty five years, contracted for police services from the Contra Costa County Sheriff's Department. Sheriff's costs, however, have risen steeply over the last few years, prompting interest from all of the jurisdictions in studying and developing cost-effective alternatives to the Sheriff's contract.

Rather than do so independently, the three municipalities have instead chosen to issue this joint *Request for Proposals* seeking a single consultant to perform the work. While the consultant will be expected to deliver three separate reports – one to each jurisdiction – the cities are hopeful that the joint study will otherwise deliver significant cost savings, economies of scale, and perhaps, joint operational strategies and unique organizational advantages that would not otherwise accompany individually-contracted studies.

BACKGROUND

Danville, Lafayette, and Orinda are all relatively affluent jurisdictions located in central Contra Costa County. Despite the affluence, each was incorporated as a no- or low-property tax city, and each has operated as a "limited service city" since incorporation. Consistent with this ethos, police services in all three towns have been provided through a contract with the Contra Costa County Sheriff's Office (CCCSO) since incorporation.

Danville

Danville is southernmost of the three cities, lying along the 680 corridor south of Walnut Creek and is considered to be part of the dynamic and growing Tri-Valley area. The Town comprises almost 19 square miles with a 2008 population of 42,601 residents.

The Danville Police Department (DPD) is currently staffed by 34 full time equivalent positions, including 30 sworn personnel provided through the contract and 4 non-sworn Town employees. Additional services including parking enforcement are provided through the use of part time hourly employees. Danville's total police budget for 2008-09 is $7,438,159, representing 28.9% of the Town's total operating budget. Current staffing levels are expected to remain constant in the near and long term future as the

community is largely built out.

In Danville, public safety represents the highest community priority along with the highest level of program expenditure. Challenges related to providing police services include providing and maintaining acceptable service levels, while dealing with impacts related to growth surrounding the Town, and its spillover effect in terms of the number and types of crimes occurring.

Lafayette

Lafayette lies just west of Walnut Creek and is bisected by the Hwy 24 corridor. The City has a stable population of 24,500 residents and is known primarily for its good school system and strict land use policies. Lafayette comprises about 10 square miles and has 99 miles of roads.

The Lafayette Police Department (LPD) is currently staffed by 19 full time equivalent positions, including 17 sworn personnel provided through the contract and 2 non-sworn City employees. Additional services including parking enforcement are provided by City employees on both a part- and full-time basis but supervised by the contract Police Chief. Lafayette's total police budget for 2008-09 is $4,258,000, representing 33% of the City's total operating budget. Current staffing levels are expected to remain constant in the near and long term future as the community is largely built out.

Like Danville, public safety in Lafayette represents the highest community priority and therefore receives the highest level of program expenditure. Challenges related to providing police services include high call volumes (more than 22,000 per year), providing and maintaining acceptable service levels, and addressing criminals that arrive in Lafayette from other areas seeking to capitalize on the City's affluence.

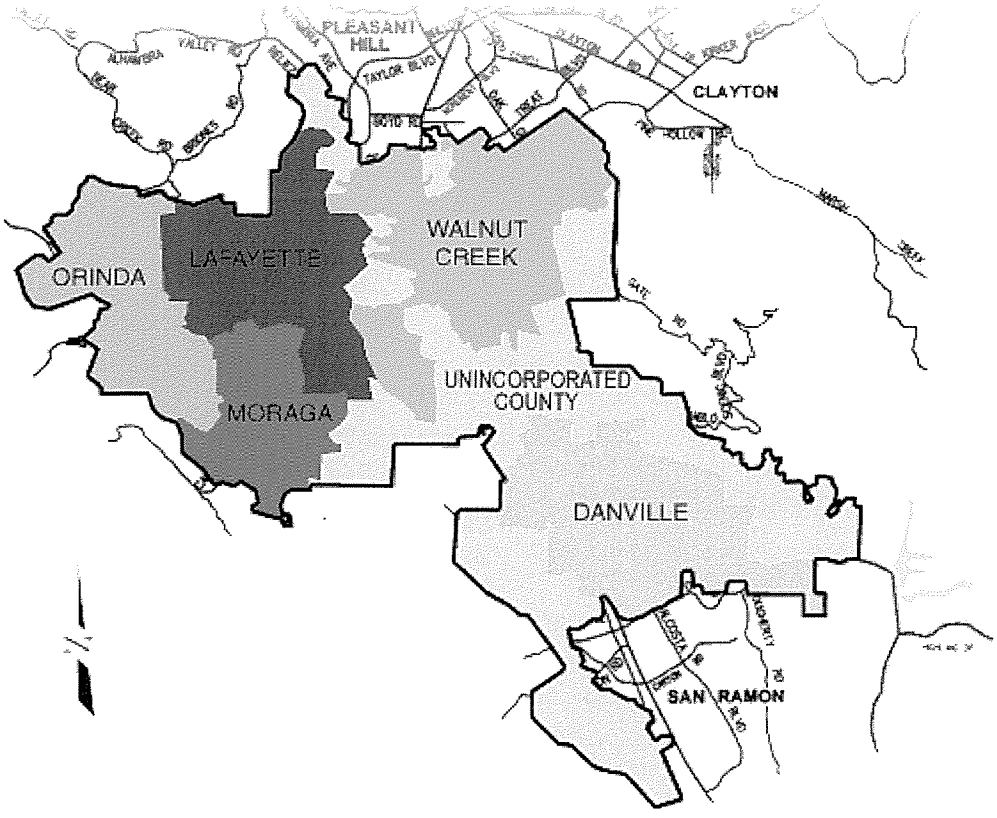
Orinda

Orinda sits on the far western border of Contra Costa County, near the Caldecott Tunnel. Orinda shares its eastern border with Lafayette and, like Lafayette, is bisected by the Hwy 24 corridor. The City has a stable population and is known primarily for its great schools, downtown village atmosphere, land use policies, and for its semi-rural character. Orinda comprises about 12.8 square miles and has a population of 17,599 residents. The City is currently grappling with an enormous financial challenge to

address roads, storm drain, and fire flow infrastructure deficiencies. Given the limited revenues, and the competing needs within the community, it is imperative to provide quality law enforcement services in the most cost-effective manner.

The Orinda Police Department (OPD) is currently staffed by 16 full time equivalent positions, including 14 sworn personnel provided through the contract and 2 non-sworn City employees. Additional services including parking enforcement are provided through the use of one of the non-sworn employees. Orinda's total police budget for 2008-09 is $3,725,000 representing 33% of the City's total operating budget. Current staffing levels are expected to remain relatively constant in the near and long term future as the community is largely built out. Build out of the Gateway Valley in the next 5 years may necessitate the addition of 1-2 sworn officers.

Public safety in Orinda is of particular importance to the City and its residents. Challenges related to providing police services include providing and maintaining acceptable service levels, and addressing transient criminals that come into the community via Highway 24, BART, and Camino Pablo.



Danville, Lafayette, and Orinda have, for many years, enjoyed high quality police protection services through an effective working relationship with the Contra Costa County Sheriff's Office. With more than 750 officers, a police academy, crime lab, jail system, dispatch, helicopter, SWAT teams and the like, the County Sheriff has the capability to provide – and does provide – a full range of police services to the smaller contract agencies. It has, for many years, been in the interest of Danville, Lafayette, and Orinda to capitalize on the scale economies delivered by the large Sheriff's organization.

In an effort to balance its own budget, County Administration has recently increased the level of indirect costs passed through to contract police agencies. Furthermore, the County's employee retirement and health care systems were, for many years, underfunded. So as to "catch up", retirement and health care costs charged to contract agencies have escalated to a point where they appear to be significantly greater than similar costs for other public safety agencies. Despite efforts made by the Sheriff to temper these increases, this trend looks as though it will continue in the future.

Danville and Lafayette have partially offset some of the cost increases by eliminating non-sworn positions and selectively substituting non-sworn personnel into positions previously occupied by sworn personnel. Orinda has absorbed the cost increases this fiscal year but will need to re-assess the increases in the ensuing years. However opportunities to implement similar "fixes" in the future have been largely exhausted. The cities have thus concluded that it is now appropriate to evaluate all potential service delivery models and options available, including the current contract.

POLICE DEPARTMENT ORGANIZATION

As creatures of the Sheriff's Department, the three departments are largely organized in similar fashion:

- **Police Chief**: is the overall manager of the department and reports directly to the City Manager. The Chief holds the rank of Lieutenant in the CCCSO, and acts as a liaison between the Town/City and the CCCSO. The Chief functions in the same capacity as any municipal chief, with responsibility for planning and directing the actions of department staff, budget preparation and implementation and directly supervising the Administrative Lieutenant and five sergeants.

- **Administrative Lieutenant** (Danville only): The administrative Lieutenant performs a number of administrative duties including assisting the Chief with personnel and financial management, community outreach and education, and supervises the community services (non-sworn) personnel.

- **Patrol/Traffic Sergeants**: Sergeants are responsible for field operations during their shifts. They also oversee the traffic and parking enforcement programs, manage the police reserve program and are responsible for training and scheduling.

- **Investigative Sergeant** (Danville only): One investigative sergeant is responsible for coordinating and following up on all reported crimes. This involves supervising one police investigator and coordinating other resources as may be required in order to assist with the investigative case load.

- **Patrol Division**: Officers are assigned to patrolling the Town.

- **Traffic Enforcement**: Officers may be assigned to traffic enforcement during the day and swing shifts, Monday-Friday. Part time hourly personnel are utilized to perform up to 4,000 hours of parking enforcement annually.

Organization charts for each of the three departments are attached.

POLICE SERVICES OBJECTIVES

Since 1968, when Lafayette became the first city in Contra Costa to contract with the Sheriff's department, the contract model of service delivery has been flexible to effectively address the changing needs of the contract cities and otherwise uphold high community standards. Costs for the contract have been charged on a direct cost basis, with no mark-up or "profit" for the County. The range of services offered, caliber of personnel, flexibility to deal with extraordinary needs or emergencies, and immunity from direct liability are all considered by the cities to be substantive benefits.

So as to ensure that it was operating efficiently and effectively, the Town of Danville undertook an independent evaluation of police service delivery options in 1996. At that time, the Town concluded that continuation of the current contractual arrangement with the CCCSO was the most effective method of providing police

services for Danville.

The three cities are now interested in undertaking an assessment of current options available for police service delivery in light of three major areas of concern related to the current contract model:

1) *High Personnel Costs*

Based upon the current benefits offered, total compensation costs for sworn police personnel contracted through the Sheriff's Office appear to be significantly higher than comparable costs for PERS agencies. Total salary plus benefits costs for a top step deputy (officer) for 2008-09 are projected to be $182,383. This high price is largely attributable to: a) the 3% at 50 retirement systems which have become "the norm" for public safety employees throughout the state; b) The CCCSO 1937 Act public safety retirement plan; and c) the need to finance pension obligation bonds sold by Contra Costa County in order to adequately fund its retirement system.

A recent review of pension costs shows that the employer contribution rate for Sheriff's Office personnel is 68% of payroll for "Tier A" employees and 62% of payroll for "Tier C' Employees, with approximately 20% attributable to outstanding pension obligation bonds. This compares to an average pension cost of 25.6% of payroll for other Contra Costa cities through PERS. As a result, total compensation costs for a Sheriff's deputy appear to be $20,000 to $40,000 more, per deputy per year, than other local agencies pay.

2. *Unfunded County OPEB Costs*

Despite objections on the part of the Sheriff, the Contra Costa County Administrator's Office has recently indicated that personnel costs will increase even further in 2008-09, as the county will continue with a policy shift (first initiated in 2008-09) to assign unfunded OPEB liability against all current staffing. First year phase in costs associated with this policy shift exceeded $200,000 cumulatively to Danville, Lafayette and Orinda.

Moreover, representatives from the CAO's Office have indicated that continuing to offer contract policing services may no longer be a high priority for the County, and that a reduction in the total number of sworn personnel now allocated to contract agencies might help the County to realize personnel savings.

3. *Span of Control/Command Structure*

All police agencies are dealing with cumulative loss of experience brought on by earlier retirements. Not only are professionals retiring earlier, but the next generation of law enforcement personnel moving up through the ranks is less experienced.

Typically, agencies have the ability to compensate for cumulative experience loss by adjusting command structures and upgrading positions to utilize higher ranking personnel. Because the current contract with the CCCSO limits personnel to be assigned to contract agencies to no higher than the rank of lieutenant, options to assure that the command structure possesses an adequate combination of rank and experience are limited. Furthermore, lieutenants who serve as police chiefs in the contract cities are often promoted out of the position in less than four years, leaving the cities with a dearth of institutional memory or continuous leadership.

The current contractual arrangement has demonstrated numerous advantages in terms of staffing flexibility and ability to increase or reduce services. Under the current system, however, the contract cities have no ability to control contract costs. The cities are concerned that, if contract costs continue to rise faster than general fund revenue sources, police services will eventually swamp other municipal programs. As a result, each or all of the cities could be required to make staffing and/or service level reductions that are unacceptable.

In 2007, with similar concerns, the City of San Ramon (a neighboring jurisdiction that had previously contracted for police services through the CCCSO) opted to establish its own stand alone municipal police department and terminate the contract with the CCCSO. San Ramon, however, is a larger city with a force almost twice the size of that in Danville, and four times that of either Lafayette or Orinda.

SCOPE OF THIS STUDY

Given the background information, above, the Town / City Councils of Danville, Lafayette, and Orinda each arrived, independently, at the conclusion that they would benefit from a study that identifies and evaluates alternative police service delivery options that would allow each to meet local public safety needs.

Rather than do so independently, the three municipalities have instead chosen to issue this joint *Request for Proposals* seeking a single consultant to perform the work. While the consultant will be expected to deliver three separate reports – one to each jurisdiction – the cities are hopeful that the joint study will otherwise deliver

significant cost savings, economies of scale, and perhaps, joint operational strategies and unique organizational advantages that would not otherwise accompany individual studies.

Since all three jurisdictions are limited service agencies, there is little benefit to be derived from identifying and proposing service options that cannot be achieved without the commitment of significant additional funding levels. Indeed, given the current economic climate, it is fair to say that any workable solution should be commensurate with the existing police budgets in place, and preferably represent both short- and long-term cost savings. The options should thus identify how the cities can achieve effective service levels while staying within their current budgets. If a change in the current service delivery model is recommended, transitional costs should also be identified.

The consultant will be expected to analyze, prepare, and deliver three separate reports, one to each jurisdiction. In each report, the consultant will evaluate all potential service delivery options available to that city, including (but not necessarily limited to):

1. Continuing to contract for police services through Contra Costa County.

2. Contracting for police services with other viable service providers.

3. Formation of a joint powers authority or other similar mechanism that could provide for consolidated police services with one or more additional agencies, including those not participating in the study.

4. Formation of a stand alone municipal police department.

5. Other options.

The Contra Costa Sheriff's Office has been notified and is aware that the three cities are undertaking this study. The consultant will be expected to meet with representatives of the Sheriff's Office early in the course of this study to gather information and gain a better understanding of the breadth and scope of services and benefits provided to each of the cities through the current contractual arrangement.

Upon completion of the service delivery options, the consultant will meet with each of the three City / Town Councils to present preliminary findings and solicit input. A

final report will then be prepared and delivered.

DRAFT TIMELINE

January 1, 2009	RFP Issued to Consultants
January 30, 2009	Proposals Due to Cities
February 13, 2009	Cities Interview Finalist Consultants
February 20, 2009	Consultant is Selected
March 2, 2009	Consultant Begins Work
April 27, 2009	First Draft is Delivered to Cities for Comment
May 15, 2009	Comments Returned to Consultant
June 1, 2009	Final Draft Delivered to Cities
June 2009	Presentations to City Councils

CONTACTS

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Steven Falk, Lafayette City Manager – sfalk@lovelafayette.org (925) 284-1968

Janet Keeter, Orinda City Manager – jkeeter@cityoforinda.org (925)253-4220

SUBMITTAL REQUIREMENTS/DEADLINE

The cities are soliciting proposals from a limited number of qualified firms. Consultant proposals shall include:

- Scope of services proposed
- Names and resumes of all members of the consultant team
- Designated project manager
- Detailed project schedule
- Not to exceed cost
- Names and contact information for five (5) client references.

Ten (10) copies of completed proposals shall be submitted to each of the following addresses:

Town of Danville 510 La Gonda Way Danville, CA 94526	City of Lafayette 3675 Mt. Diablo Blvd. #210 Lafayette, CA 94549	City of Orinda 22 Orinda Way Orinda, CA 94563

All proposals must be received by 5:00 p.m., on January 30, 2009. The cities will jointly interview up to three consultants the week of February 9, 2009 and will make a selection by February 20, 2009.

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ATTACHMENT A

ORGANIZATION CHARTS